

THE BAYARD FIRM

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September 7, 2007

E-FILED AND HAND DELIVERED

The Honorable Joseph J. Farnan, Jr.
 United States District Court
 District of Delaware
 844 N. King Street
 Room 4124, Lockbox 27
 Wilmington, DE 19801

Re: *Wells Fargo Bank, N.A., et al. v. Royal Indemnity Company*, No. 02-1294 (JJF)
Charles A. Stanziale v. Pepper Hamilton LLP, et al., No. 04-1551 (JJF)
Royal Indemnity Co. v. Pepper Hamilton LLP, et al., No. 05-165 (JJF)

Dear Judge Farnan:

I write on behalf of Plaintiffs Charles A. Stanziale (the “Trustee”) and Royal Indemnity Company (“Royal”) to inform the Court that we are in discussions to settle all claims with defendants Pepper Hamilton LLP (“Pepper Hamilton”) and W. Roderick Gagné (“Mr. Gagné”), in his capacity as an attorney practicing at Pepper Hamilton.

In the circumstances, we respectfully request that the Court take no action with respect to the pending matters listed on the attached Exhibit A. Because settlements have not yet been finalized, we also are not requesting any further action from the Court at this time regarding any of the deadlines set forth in the current Case Management Orders. We will keep the Court apprised of the status of our discussions.

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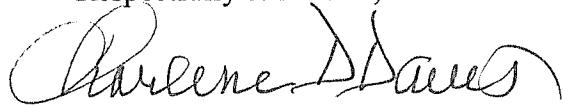
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These discussions involve only Pepper Hamilton, Mr. Gagné in his capacity as an attorney practicing at Pepper Hamilton, Royal and the Trustee. Thus, even if a final settlement is reached, Royal's claims in Case No. 02-1294 against Wells Fargo and others, and the claims brought by the Trustee against Robert L. Bast, Pamela Bashore Gagné, and Mr. Gagné in his capacity as Trustee for the various James Brennan and Elizabeth Brennan Trusts in No. 04-1551, remain unaffected and are expected to go forward.

Respectfully submitted,



Charlene D. Davis

*Counsel to Charles A. Stanziale,
Chapter 7 Trustee*

cc: All Counsel on Attached Service List